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PART--I-- Orders and Notifications by the Government of Tripura, The High Court, Government Treasury etc.

Tripura Electricity Regulatory Commission (Fuel and Power Purchase Price Adjustment) Regulations, 2025

No.F.24/TERC/2025/1270 **Dated : 18th December 2025**

In exercise of power conferred under Section 61(d), 62(4), 86(1)(b), sub-section (1) of section 181 and clause (zp) of sub-section (2) of section 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling the Commission in this behalf, after previous publication, and in compliance of Rule 14 of the Electricity (Amendment) Rules, 2022 notified by Govt. of India vide G.S.R. 911(E) dated 29th December 2022, the Tripura Electricity Regulatory Commission hereby makes the following Regulations, to amend and replace the Tripura Electricity Regulatory Commission (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2011, gazette notified on 13th March, 2012.

1. Short title, extent and commencement:

1.1 These Regulations shall be called the Tripura Electricity Regulatory Commission (Fuel and Power Purchase Price Adjustment) Regulations, 2025.

1.2 These Regulations shall extend to the whole State of Tripura.

1.3 These Regulations shall come into force from the date of its publication in the Tripura Gazette.

2. Definitions

2.1 In these Regulations, unless the context otherwise requires:

2.1.1 "Act" means the Electricity Act 2003 (36 of 2003);

2.1.2 "Ancillary services" in relation to power system operation, means the service necessary to support the grid operation in maintaining power quality, reliability and security of the grid and includes Primary Reserve Ancillary Service, Secondary Reserve Ancillary Service, Tertiary Reserve Ancillary Service, active power support for load following, reactive power support, black start and such other services.

2.1.3 "Commission" means the Tripura Electricity Regulatory Commission;

2.1.4 "Current Year" shall mean the year in which the statement of annual accounts or petition for determination of tariff is filed;

2.1.5 "Deviation" in a time block for a seller means its total actual injection minus its total schedule generation and for a buyer means its total actual drawal minus its total schedule drawal and shall form a part of the State Energy Accounts to be prepared by SLDC.

2.1.6 "Deviation Settlement Mechanism (DSM)" means and include the

framework for energy accounting, deviation accounting, Rules for pricing of deviations payable and receivable by State Entities and other design parameters as specified in the TERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2016 and its subsequent amendments.

2.1.7 "Ensuing Year" shall mean the year next following the current year;

2.1.8 "Fuel and Power Purchase Price Adjustment (FPPPA) Surcharge" means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the Commission;

2.1.9 "Generating Company" means any company or body corporate or associating or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a generating station;

2.1.10 "Licensee" means a person who has been granted a licence under section 14 of the Act, including a person deemed to be a licensee referred to under any of the provisions to Section 14 of the Act;

2.1.11 "Previous Year" shall mean the year immediately preceding the current year;

2.1.12 "Tariff" shall mean the schedule of charges for generation and bulk supply, transmission, wheeling and supply of electricity together with terms and conditions thereof;

2.1.13 "Year" shall mean financial year ending on 31st March;

2.1.14 "Security Constrained Economic Despatch" means despatch of generating units as per merit order subject to operational and technical limits of generation and transmission facilities as defined in the Central Grid Code.

2.1.15 "State" means the State of Tripura.

2.2 Words and expressions used in these Regulations and not defined herein but defined in the Act or other relevant Regulations of the Commission shall have the meaning as assigned to them under the Act or relevant Regulations of the Commission.

3. Fuel and Power Purchase Price Adjustment (FPPPA) Surcharge Formula

3.1 The Formula is:

$$\text{Monthly FPPPA for nth Month (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \text{Distribution losses in\%}/100)\} * ABR}$$

Where,

nth month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in (n-2)

th month.

A is Total units procured in (n-2)th Month (in kWh) from all Sources including Long-term, Medium–term and Short-term Power Purchases (To be taken from the bills issued to distribution licensees)

B is bulk sale of power from all Sources in (n-2)th Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost= Actual weighted average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs./ kWh) (computed) - Projected weighted average Power Purchase Cost (PPC) from all Sources (Rs./ kWh)(from tariff order)

D = Actual inter-state and intra-state Transmission Charges in the (n-2)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

Z = [{Actual Power purchased from all the sources outside the State in (n-2)th Month. (in kWh)* (1 – Interstate transmission losses in % /100) + Power purchased from all the sources within the State(in kWh)}*(1 – Intra state losses in %) – B]/100 in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order) Inter-

state transmission Losses (in %) = As per Tariff Order

3.2 The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

3.3 Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted through the true-up approved by the Commission.

3.4 The Fuel Cost adjustment (FCA) shall be calculated by the generating company for each of its thermal stations separately for each month.

3.5 The FCA for a month for a thermal station shall be calculated as

under: Where,

FCA (in Rs) = Scheduled Energy Sent Out (ex-bus) for the month X Difference in Monthly Energy Charge Rate

(ECR) Difference in Monthly ECR = ECR (T)

– ECR (M)

Where,

ECR (T): ECR specified for the particular plant in the tariff order.

ECR (M) = Computed ECR for the particular plant for the particular month as per formula given below.

For Gas Based Station

ECR(M): {(GHR) x APG/CVG} x 100/(100-AUX)

Where,

AUX : Normative auxiliary energy consumption in percentage.

CVG: Approved calorific value of gas in kCal /SCM

GHR: Normative Gross Station Heat Rate allowed in the Tariff order, in kCal per kWh.

APG : Actual Weighted Average Price of Natural gas during the month, including transportation in Rupees /1000 SCM

4. Computation of FPPPA Surcharge

4.1 Fuel and power purchase price adjustment surcharge shall be calculated and billed to consumers automatically, without going through regulatory approval process, on a monthly basis, according to the formula, subject to true up, on an annual basis, as decided by the Commission;

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Regulations.

Provided further that if any additional claim is raised by the generating company at the time of true up the same shall have to be supported by reasons recorded in writing and shall be subject to prudence check.

In case of part or full use of alternative source of fuel supply by coal based thermal generating stations other than as agreed by the generating company and beneficiaries in their power purchase agreement or as considered in the respective Tariff Order for determination of the ECR, on account of shortage of fuel or optimization of economical operation through blending, the use of alternative source of fuel supply shall be permitted to the generating station

Provided that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 20% of base energy charge rate as approved by the Commission, in that event, use of alternative source of fuel supply shall be considered after prior consultation with beneficiary and approval of the Commission.

4.2 Fuel and Power Purchase Price Adjustment Surcharge shall be computed and charged by the distribution licensee, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Inter-state Transmission Charges for the power procured during the n^{th} month.

For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year:

Provided that in case the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge within this time line, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and, in such cases, the right to recovery the fuel and power purchase adjustment surcharge determined during true- up shall also be forfeited.

4.3 The distribution licensee may decide, fuel and power purchase price adjustment surcharge or a part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of fuel and power purchase adjustment surcharge shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total fuel and power purchase adjustment Surcharge for a Billing Month, including any carry forward of fuel and power purchase adjustment surcharge over the previous month exceeds twenty per cent of variable component of approved tariff.

4.4 The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through fuel and power purchase price adjustment surcharge shall first be accounted towards the oldest carry forward portion of the fuel and power purchase adjustment surcharge followed by the subsequent month.

4.5 In case of carry forward of fuel and power purchase price adjustment surcharge, the carrying cost at the rate of State Bank of India Marginal cost of Funds-based lending Rate plus one hundred and fifty basis points shall be allowed till the same is recovered through tariff and this carrying cost shall be trued up in the year under consideration.

4.6 Depending upon quantum of fuel and power purchase price adjustment surcharge, the automatic pass through shall be adjusted in such a manner that,

(i) If fuel and power purchase price adjustment surcharge $\leq$ 5%, 100% cost recoverable of computed fuel and power purchase adjustment surcharge by distribution licensee shall be levied automatically using the formula.

(ii) If fuel and power purchase price adjustment surcharge >5%, 5% fuel and power purchase adjustment surcharge shall be recoverable automatically as per 4.6(i) above. 90% of the balance fuel and power purchase adjustment surcharge shall be recoverable automatically using the formula and the differential claim shall be recoverable after approval by the Commission during true up.

4.7 The revenue recovered on account of pass-through fuel and power purchase adjustment surcharge by the distribution licensee, shall be trued up later for the year under consideration and the true up for any financial Year shall be completed by 30th June of the next financial year.

4.8 In case of excess revenue recovered for the year against the fuel and power purchase adjustment surcharge, the same shall be recovered from the licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the Commission.

4.9 The under recovery of fuel and power purchase price adjustment surcharge shall be allowed during true up, to be billed along with the automatic Fuel and Power Purchase Adjustment Surcharge amount.

Explanation:-For example in the month of July, the automatic pass through component for the power supplied in May and additional Fuel and Power Purchase Adjustment Surcharge, if any, recoverable after true up for the month of April in the previous financial year, shall be billed.

4.10 The distribution licensee shall submit such details of the variation between expenses incurred and the fuel and power purchase adjustment surcharge recovered, and the detailed computations and supporting documents, as required by the Commission, during true up of the normal tariff.

4.11 To ensure smooth implementation of the fuel and power purchase adjustment surcharge mechanism and its recovery, the distribution licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open-source software as available.

4.12 The licensee shall publish all details including the fuel and power purchase adjustment surcharge formula, calculation of monthly fuel and power purchase adjustment surcharge and recovery of fuel and power purchase adjustment surcharge (separately for automatic and approved portions) on its website and archive the same through a dedicated web address.

5. Implementation of the formula

5.1 The FPPPA surcharge will be recovered from the consumers in the $(n+2)^{th}$ month from the consumers on the energy charge (variable charge) of the n^{th} month.

For example, the FPPPA surcharge on account of actual variation in cost of fuel and power purchase during the month of April of any financial year shall be computed and billed in the month of June of the same financial year on the energy charge (variable charge) of the consumer for the month of April.

5.2 The formula will be applied at the end of every month by Distribution Licensee without making it necessary to go through the regulatory proceedings. The Distribution Licensee shall, however, be obligated to provide all relevant information to the Commission simultaneously. This mechanism will provide administrative and regulatory simplicity.

5.3 The FPPPA surcharge for the n^{th} month shall be shown separately in the bills / monthly statement of the consumers in the $(n+2)^{th}$ month.

5.4 The FPPPA surcharge will be made effective from the date of publication of the Regulations in the official Gazette.

Provided further that the FPPPA surcharge applicable to each tariff category of consumers for a month shall be displayed prominently at the cash collection centres and on the website of the Distribution Licensee.

Provided that the Distribution Licensee shall put up on its website such details of the additional burden on account of changes in fuel price and power purchase cost and the FPPPA surcharge levied to consumers for each month along with detailed computations.

5.5 This FPPPA surcharge formula shall be applicable to the Distribution Licensee till it is amended either on petition or suo-moto.

5.6 Distribution Licensee shall file detailed computation of actual fuel cost in Rs/kWH for each financial year for each of power stations of the State generators as well as cost of power purchase (Fixed and Variable) from each source/station based on audited accounts and a separate set of calculations with reference to permitted level of parameters as stated in the relevant AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations. (Audited and certified by cost accountant / chartered accountant).

5.7 Distribution Licensee shall undertake its power procurement during the year in accordance with the power procurement plan for such year approved by the Commission in accordance with the relevant AERC Multi Year Tariff Regulations.

5.8 In the application of FPPPA formula, Distribution Licensee shall bear all costs/charges accruing on account of purchases done in contravention of the merit order principles.

5.9 The actual variable costs computed for all generating stations shall exclude transit and handling losses of all types of fuels beyond the limits specified in relevant Regulations of the Commission.

5.10 Calculation and levy of such charge shall be subject to scrutiny of the Commission during the true up exercise.

5.11 The Commission shall charge a fee for verification of all relevant documents pertaining to FPPPA Surcharge claimed by the Distribution Licensees for the true up of the FPPPA surcharge allowed to be recovered for the Financial Year as in Regulation 4.6 of these Regulations.

The amount of fees shall be zero-point one five percent (0.15%) of the claimed amount.

5.14 In case of any dispute, an appropriate petition in accordance with the TERC Electricity Regulatory Commission (Conduct of Business) Regulations, 2015, as amended from time to time or any statutory re-enactment thereof, shall be made before the Commission.

6. Overriding Effect:-

Notwithstanding anything contained contrary -

a) in the TERC (Terms and Conditions for Open Access) Regulations, 2010; and

b) in the TERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015; and

c) in the TERC (Co-generation and Generation of Electricity from Renewable Sources of Energy) Regulations 2009; and

d) in the TERC (Miscellaneous Provision relating to Petition fees, license fees and other fees) Regulations, 2016.

notified by the Commission under section 181 of the Electricity Act 2003 and their subsequent amendments; these Regulations will have overriding effect.

7. Power to remove difficulties:-

(a) In case of any difficulty in giving effect to any of the provisions of these Regulations, the Commission may by General or special order, direct the Licensee to take suitable action not inconsistent with the provisions of Electricity Act 2003 which appears to be necessary or expedient for the purpose of removing the difficulty.

(b) The Distribution Licensee may make an application to the Commission and seek suitable orders to remove any difficulty that may arise in implementation of these Regulations.

8. **Issue of orders and directions**: – Subject to the provisions of the Act and these regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of these regulations and procedure to be followed for such implementation and matters incidental or ancillary thereto.

9. **Saving of Inherent Powers of the Commission**: - Nothing contained in these Regulations shall limit or otherwise affect the inherent powers of the Commission to adopt a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these regulations.

10. **Power to Relax: -** The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

11. **Power to Amend**: - The Commission may from time to time add, vary, alter,

suspend, modify, amend or repeal any provision of these regulations.

12. **Interpretation:** - All issues arising in relation to interpretation of these Regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

13. **Repeal and Savings: -**

13.1 The TERC (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2011, & the part mentioned thereof in the TERC (Multi Year Distribution Tariff) Regulations, 2023 is hereby replaced with these Regulations.

13.2 Notwithstanding such repeal, anything done or any action taken under the said Regulations shall be deemed to have been done or taken under the corresponding provisions of these Regulations.

By Order of the Commission

(Ratan Debbarma)
Secretary
Tripura Electricity Regulatory Commission